12/31/87 A0400-1A

The Aluminum Situation

Department of Economics and Statistics **December 1987**

1987 Net Shipment Up 6.3 Percent

Total industry net shipments for ten months 1987, estimated at 13,895 million pounds, were up 6.3 percent from the ten month 1986 total of 13,076 million pounds.

Domestic shipments of 12,898 million pounds were up 4.6 percent over the ten month 1986 total of 12,332 million pounds.

For the first ten months of 1987, imports of ingot and mill products were down 9.9 percent and exports were up 33.9 percent as compared with the same period of 1986.

Thru October 1987

	1987 10 Mos.	1986 10 Mos.	% Change
Mill Products	10,954	10,505	4.3
Ingot	2,941	2,572	14.4
Total	13,895	13,076	6.3
Less Exports	997	745	33.9
Domestic Total	12,898	12,332	4.6

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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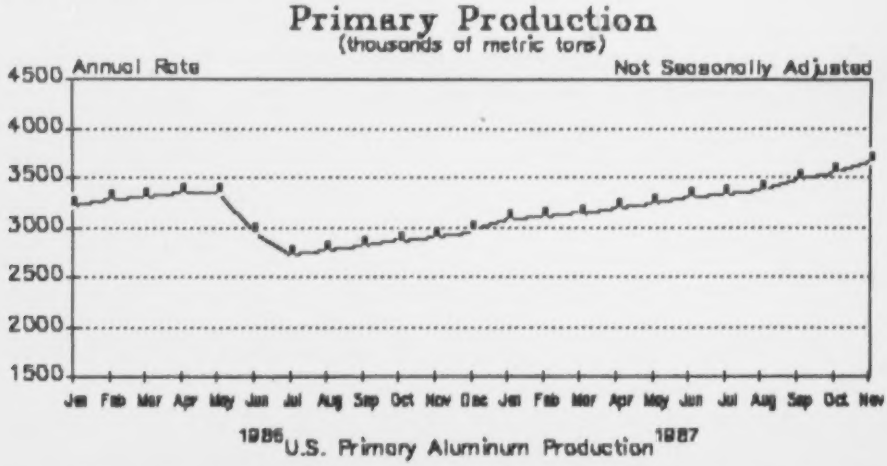
Production Rate for November Up 25.4%

U.S. primary aluminum production averaged 10,007 metric ton daily during November 1987. This compares with an average of 7,981 metric tons a day in November 1986 and 9,721 metric tons a day in October 1987. The annual rate of production in November 1987 was 3,652,665 metric tons compared with 2,913,004 metric tons in November 1986 and 3,548,094 metric tons in October 1987. Actual production in November 1987 was 300,219 metric tons.

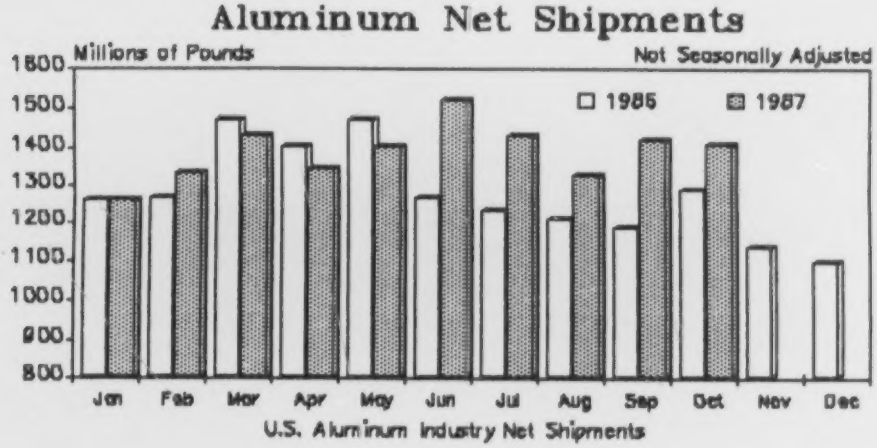


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Industry Net Shipments Up 6.3 Percent

Estimated total industry net shipments of 13,895 million pounds for ten months of 1987 were up 6.0 percent from the ten month 1986 total of 13,076 million pounds. Exports for ten months of 1987 of 997 million pounds were up 33.9 percent. Domestic shipments showed a 4.6 percent increase from a year ago. October shipments of 1,407 million pounds were up 9.1 percent versus a year ago.



Net Shipments

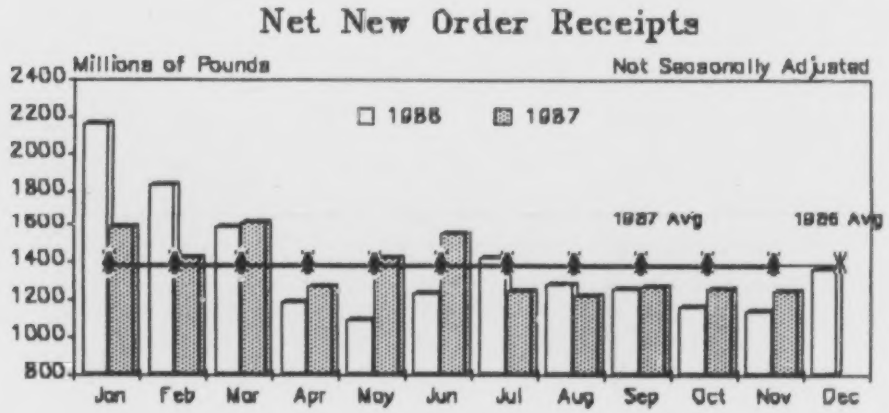
(Millions of Pounds)

	1987* October	1986 October	1987 10 Mos.	1986 10 Mos.	% Change 1987 vs 1986
Sheet	593.0	525.9	5,878.4	5,415.9	8.5
Plate	21.0	21.5	223.7	210.1	6.5
Foil	78.0	78.9	728.0	728.8	-0.1
Rod,Bar & Wire	32.0	22.3	312.1	281.3	11.0
Elec. Conductor	48.0	57.1	521.2	544.1	-4.2
Extruded Shapes,Tube	241.0	244.1	2,347.0	2,320.1	1.2
Powder & Paste	8.0	8.7	80.6	83.7	-3.6
Forgings & Impacts	15.0	13.5	133.4	122.0	9.3
Net Imports of Mill Products (Total) (a)	66.0	71.4	729.5	799.0	-8.7
Total Mill Products	1,102.0	1,043.5	10,954.0	10,504.9	4.3
Ingot (b)	305.0	247.2	2,940.9	2,571.5	14.4
TOTAL INDUSTRY SHIPMENTS	1,407.0	1,290.6	13,894.9	13,076.5	6.3
Exports	97.0	83.6	996.9	744.5	33.9
TOTAL DOMESTIC SHIPMENTS	1,310.0	1,207.0	12,898.1	12,332.0	4.6

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(*) Latest month.

November New Order Receipts Decline 1.0 Percent

Estimated net new order receipts for November 1987 of 1,250 million pounds declined by 1.0 percent versus the previous month. New order receipts for eleven months of 1987 at 15,130 million pounds were down 1.7 percent versus eleven months of 1986 total of 15,385 million pounds.



Order Receipts
(Millions of Pounds)

	1987* November	1986 November	1987 11 Mos.	1986 11 Mos.	% Change 1987 vs 1986
Can Stock (a)	224.3	318.2	3,201.7	3,214.3	-0.4
Sheet & Plate, Other	327.2	282.5	4,285.6	3,578.4	19.8
Foil	95.5	60.4	902.6	804.7	12.2
Rod,Bar & Wire	40.1	19.8	365.9	283.3	29.2
Electrical Conductor	63.6	44.2	596.6	593.6	0.5
Extruded Products	193.9	220.5	2,978.1	2,607.9	14.2
Powder & Paste	6.0	3.6	75.0	69.3	8.2
Forgings & Impacts	12.2	15.2	124.9	111.3	12.2
Domestic Mill Products	962.8	964.4	12,530.4	11,262.8	11.3
Ingot (Total)	225.9	145.2	1,635.1	3,429.0	-52.3
TOTAL DOMESTIC	1,188.7	1,109.6	14,165.5	14,691.8	-3.6
Exports	60.9	37.6	964.1	692.7	39.2
TOTAL ALL PRODUCTS	1,249.6	1,147.2	15,129.6	15,384.5	-1.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.
(*) Latest month.

Producer Inventories Increase 26 Million Pounds

Estimated producer inventories increased in October 1987 to a total of 4,181 million pounds. This represented a 26 million pound increase from the September 1987 level of 4,155 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Jul 87	4,393	1,445	615	2,334
Aug 87	4,304	1,388	596	2,320
Sep 87	4,155	1,338	598	2,220
Oct 87*	4,181	1,418	587	2,176

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month. Early estimates are available from the Association on a subscription basis.

Consumer Inventories Increase Reported at 34.7 Days

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of October 31, 1987 was 34.7, up slightly from the previous month.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

Jul 87	35.2
Aug 87	34.4
Sep 87	34.2
Oct 87*	34.7

Source: Aluminum Association - Customer Inventory Position Survey
(*) Latest month.

U.S. Imports & Exports

(Millions of Pounds)

		1987* October	1986 October	1987 10 Mos.	1986 10 Mos.	% Change 1987 vs 1986
Imports	Mill Products	93.2	93.2	835.6	918.0	-9.0
	Ingot	248.1	239.1	2,337.8	2,603.4	-10.2
	Total	341.4	332.3	3,173.4	3,521.4	-9.9
	Scrap (+ dross)	34.3	31.9	358.9	301.8	18.9
	Grand Total	375.7	364.2	3,532.3	3,823.2	-7.6
Exports	Mill Products	51.6	41.2	519.4	372.5	39.4
	Ingot	45.4	42.3	477.5	372.0	28.4
	Total	97.0	83.6	996.9	744.4	33.9
	Scrap	62.9	72.7	681.6	639.8	6.5
	Grand Total	160.0	156.2	1,678.5	1,384.3	21.3
Net Imports		215.7	208.0	1,853.9	2,439.0	-24.0

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Latest month.